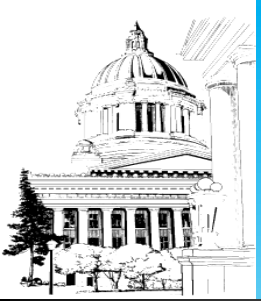




Workforce Education Investment Act

Office of Program Research
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October 23, 2020



Presentation Overview

Workforce
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Oversight Board

- ▶ E2SHB 2158 and the Workforce Education Investment and Accountability Oversight Board
- ▶ B&O Revenue
- ▶ Policy Highlights, including Washington College Grant
- ▶ WEIA Account
- ▶ WEIA Appropriations, Revenues, and Balances



The Workforce Education Investment Act (WEIA)

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- ▶ Created by E2SHB 2158 (2019).
- ▶ Changed SNG to WCG and made it an entitlement.
- ▶ Established a dedicated revenue source for the WEIA account.
- ▶ Made appropriations from the WEIA account for specified purposes.
- ▶ Established the WEIA Investment and Accountability Board.
- ▶ Created new workforce education investment policies.
- ▶ Modified existing higher education and workforce programs and policies.



Accountability and Oversight Board

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Established to:

- ▶ Provide guidance and recommendations to the Legislature on which workforce education priorities should be funded; and
- ▶ Ensure accountability that the workforce education investments that were funded produce the intended results and are increasing student success and career readiness

Required to meet 4 times a year and to report to the legislature annually, starting in December 2020



Accountability and Oversight Board (Cont'd)

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- ▶ Consists of 17 members, including:
 - 4 legislative members;
 - 13 members appointed by the governor with the consent of the senate, including:
 - 5 members representing businesses subject to the B&O surcharge or a B&O tax rate of 1.75 percent;
 - 2 members representing labor organizations;
 - 2 members representing the higher education institutions;
 - 2 members representing students;
 - 1 member representing independent, not-for-profit higher education institutions; and
 - 1 member representing WSAC



Accountability and Oversight Board (Cont'd)

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- ▶ The two co-chairs include one of the chairs of the legislative higher education and workforce development committees and one of the members representing businesses
- ▶ Student members serve one-year terms while other appointed members serve three-year terms
- ▶ 9 voting members constitute a quorum



B&O Revenue

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- ▶ E2SHB 2158 established a three-tiered Workforce Education Investment Surcharge established as part of the business and occupation (B&O) tax which imposed a surcharge on businesses based on primary business activity and the gross revenue of advanced computing businesses.
- ▶ Except for certain advanced computing businesses, ESSB 6492 (2020) eliminated the surcharge and replaced it with an increased B&O service rate, retroactive to January 1, 2020.
 - Increase from 1.5 to 1.75 percent for businesses earning over \$1 million annually;
 - Additional 1.22 percent surcharge for advanced computing businesses earning over \$25 billion.



Policy Highlights

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- ▶ Washington College Grant
- ▶ Washington Student Loan Refinancing Program
- ▶ Career Connected Learning Cross-Agency Work Group and Career Connected Learning Grant Program
- ▶ Washington State Opportunity Scholarship
- ▶ Funding appropriated for programs and policies including foundational support, Guided Pathways, and CTC nurse educator salaries



Washington College Grant

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- ▶ The State Need Grant (SNG) was rebranded as the Washington College Grant (WCG).
- ▶ Major Changes include:
 - Making the WCG an entitlement
 - Modifying awards and eligibility based on income level



Washington College Grant (Continued)

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- ▶ Administered by WSAC.
- ▶ Eligibility requirements:
 - State resident;
 - File a FAFSA or WASFA;
 - Not have a bachelor's degree;
 - Be enrolled at an institution or apprenticeship program; and
 - Demonstrate financial need.
- ▶ Full award for a student attending a public institution includes tuition and services and activities fees.
- ▶ Grants for students attending private institutions are tied to the 2018 SNG levels, and may increase per year by the tuition growth factor.



Washington College Grant (Continued)

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- ▶ 2020 Awards and Eligibility
- ▶ \$97,000 = 100% MFI, \$53,000 = 55% MFI*

Median Family Income Range	Percentage of Maximum Grant
0-55 percent	100 percent of award
56-60 percent	70 percent of award
61-65 percent	60 percent of award
66-70 percent	50 percent of award
71-75 percent	24.5 percent of award
76-100 percent	10 percent of award

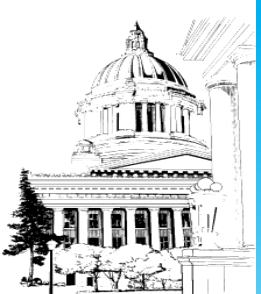
*based on 2020-21 MFIs for a family of 4



Washington Student Loan Refinancing Program

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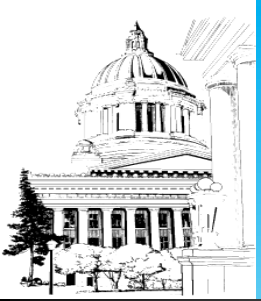
- ▶ WEIA established the Washington Student Loan Refinancing Program (WSLR) to be administered by WSAC.
- ▶ The WSLR requires WSAC to contract with up to five financial institutions to refinance student loans.
 - The financial institutions may either use an interest rate buy down incentive or a loan loss reserve coverage.
- ▶ Expires July 1, 2029.



Career Connected Learning

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- ▶ Cross-Agency Workgroup established to:
 - Create a statewide CCL system;
 - Expand CCL participation; and
 - Make budget recommendations to OFM regarding CCL.
- ▶ Grant Program established to support regional CCL networks in rural and urban areas
 - Administered by the Employment Security Office in consultation with the Governor's Office.
- ▶ School districts are required to be funded up to 1.2 FTE students for career launch programs.



Washington State Opportunity Scholarship

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- ▶ Altered the WSOS to allow municipalities, counties, federally recognized Indian tribes to contribute funding and receive a state match.
- ▶ Donations, including the state match, from a municipality, county, or tribe must be awarded to a participant within the municipality, county, or tribe.



Additional Program and Policy Changes

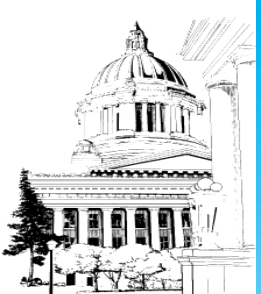
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- ▶ The Working Connections Child Care requirements were modified to assist single parents enrolled at CTCs or tribal colleges pursuing vocational education.
- ▶ The credit limit for mandatory tuition waivers received by dependents of certain veterans or National Guard members was expanded from 200 to 250 credits.
- ▶ Chiropractors were added as eligible health professionals under the Health Professional Loan Repayment Program.



WEIA Fiscal

- All numbers are in thousands unless noted differently in this presentation



WEIA Account

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- ▶ E2SHB 2158 (2019) established a new account for Workforce Education Investment Account funds.
- ▶ The WEIA account is now required under SSB 6660 (2020) to be balanced over 4-years.
- ▶ Changes to the revenue side were made in ESSB 6492 (2020), but no changes were made to the appropriations.
- ▶ Funding was added during the 2020 session to address the caseload adjustment.



Overview

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Overview of Funding (\$'s in millions)				
	FY2020	FY2021	FY2022	FY2023
Beginning Balance		\$ (77)	\$ (22)	\$ (70)
Revenues	\$ 32	\$ 307	\$ 291	\$ 310
Expenditures	\$ 109	\$ 252	\$ 339	\$ 393
Projected Ending Balance	\$ (77)	\$ (22)	\$ (70)	\$ (153)



Washington College Grant Funding Composition

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Total WCG Estimated Costs	FY 2020	FY 2021	2019-21
WEIA Funds	\$39.7	\$135.4	\$175.1
Other State Funds	\$337.3	\$347.6	\$684.9
Total	\$377	\$483	\$860

- Per the 2020 Supplemental enacted budget
- Other State Funds = General Fund-State, Education Legacy, and Opportunity Pathways
- Based on Feb 2020 Caseload Forecast Council forecast = Enrollment of 103K, will be updated next session
- Figures in Millions



Washington College Grant – WEIA Funds

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ENACTED	FY 2020	FY 2021	2019-21	4-year Cost
Appropriations				
Washington College Grant - to fully fund the waitlist and WCG as an entitlement	\$ 39,735	\$ 99,377	\$ 139,112	\$ 337,866
Washington College Grant Expansion - to prorate amounts for those with an MFI of 71-100 percent	\$ -	\$ 21,218	\$ 21,218	\$ 71,745
Washington College Grant Caseload Adjustment – there will be adjustments made to address estimate and actual caseloads	\$ -	\$ 14,824	\$ 14,824	14,824+
Totals	\$ 39,735	\$ 135,419	\$ 175,154	\$ 424,435+



Foundational Support

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ENACTED		FY 2020	FY 2021	2019-21	4-year Cost
Appropriations					
Foundational (Compensation and Central Servs) Support		\$ 26,762	\$ 38,776	\$ 65,538	\$ 143,090
	University of Washington	\$ 9,585	\$ 15,415	\$ 25,000	\$ 55,830
	Washington State University	\$ 1,913	\$ 3,440	\$ 5,353	\$ 12,233
	Eastern Washington University	\$ 677	\$ 1,137	\$ 1,814	\$ 4,088
	Central Washington University	\$ 701	\$ 1,118	\$ 1,819	\$ 4,055
	The Evergreen State College	\$ 757	\$ 1,318	\$ 2,075	\$ 4,711
	Western Washington University	\$ 689	\$ 1,128	\$ 1,817	\$ 4,073
	Community & Technical Colleges	\$ 12,440	\$ 15,220	\$ 27,660	\$ 58,100



Appropriations Continued

ENACTED

Appropriations

		FY 2020	FY 2021	2019-21	4-year Cost
Nurse Educator and Faculty Salary Increase at CTCs		\$ 20,400	\$ 40,400	\$ 60,800	\$ 141,600
	Nurse Educator Salary Increase	\$ 20,400	\$ 20,400	\$ 40,800	\$ 81,600
	Faculty Salary Increase	\$ -	\$ 20,000	\$ 20,000	\$ 60,000
Guided Pathways at CTCs		\$ 2,000	\$ 30,124	\$ 32,124	\$ 108,248
Capacity in High Demand Programs at 4-year Institutions		\$ 6,218	\$ 10,875	\$ 17,093	\$ 38,843
	EWU - Computer Engineer Degree	\$ 1,318	\$ 1,318	\$ 2,636	\$ 5,272
	CWU Education Program Enrollments	\$ 525	\$ 525	\$ 1,050	\$ 2,100
	UW Engineering Enrollments	\$ 2,000	\$ 4,000	\$ 6,000	\$ 14,000
	UW Mechanical/Civil engineering	\$ 177	\$ 1,634	\$ 1,811	\$ 5,079
	TESC Psychology Program Enrollments	\$ 335	\$ 335	\$ 670	\$ 1,340
	UW STEM Enrollments	\$ 150	\$ 1,350	\$ 1,500	\$ 4,200
	WWU STEM Enrollments	\$ 1,713	\$ 1,713	\$ 3,426	\$ 6,852
WSU Medical School Completion and Expansion (80 students)		\$ 4,800	\$ 9,600	\$ 14,400	\$ 37,200
	Medical School Completion	\$ 3,600	\$ 7,200	\$ 10,800	\$ 25,200
	Medical School Expansion	\$ 1,200	\$ 2,400	\$ 3,600	\$ 12,000



Appropriations Continued

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ENACTED		FY 2020	FY 2021	2019-21	4-year Cost
Appropriations					
Career Connected Learning		\$ 4,833	\$ 6,655	\$ 11,488	\$ 24,798
	ESD - Career Connected Learning	\$ 2,450	\$ 2,950	\$ 5,400	\$ 11,300
	OSPI - Career Connected Learning Expansion	\$ 425	\$ 425	\$ 850	\$ 1,700
	SBCTC - Career Launch Enrollments	\$ 1,000	\$ 2,000	\$ 3,000	\$ 7,000
	OFM - CCL Implementation/CCW Leadership	\$ 50	\$ 50	\$ 100	\$ 200
	OSPI - CTE FTE	\$ 158	\$ 480	\$ 638	\$ 1,598
	OSPI - Regional Apprenticeship Pilot	\$ 750	\$ 750	\$ 1,500	\$ 3,000
Working Connections Child Care (DCYF)		\$ -	\$ 4,241	\$ 4,241	\$ 20,097
Other Items		\$ 3,419	\$ 2,913	\$ 6,332	\$ 8,938
	WSAC FAFSA Completion Support	\$ 580	\$ 575	\$ 1,155	\$ 1,155
	WSAC Student Debt (SB 5774)	\$ 1,098	\$ 1,097	\$ 2,195	\$ 2,319
	SBCTC Simulated Good Manufacturing Pract (Bothell)	\$ 500	\$ -	\$ 500	\$ 500
	WSAC - Teacher Shortage Grant	\$ 1,000	\$ 1,000	\$ 2,000	\$ 4,000
	CFC - WCG Forecasting	\$ 166	\$ 166	\$ 332	\$ 664
	WTB - Oversight Board Admin	\$ 75	\$ 75	\$ 150	\$ 300
Student Support Services at 4-year Institutions		\$ 1,148	\$ 1,148	\$ 2,316	\$ 4,652
	CWU MH Counseling	\$ 368	\$ 368	\$ 736	\$ 1,472
	TESC Pre-College Immersion Programs	\$ 280	\$ 300	\$ 580	\$ 1,180
	UW STARS Program	\$ 500	\$ 500	\$ 1,000	\$ 2,000

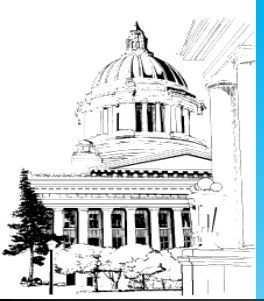


Revenues

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	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	\$ -	\$ (77,452)	\$ (22,795)	\$ (70,295)

Revenues				
HB 2158	\$ 113,100	\$266,900	\$ 192,200	\$ 200,900
SB 6492	\$ (68,000)	\$ 38,400	\$ 115,300	\$ 119,000
Sept 2020 Revenue Estimate	\$ (13,237)	\$ (1,384)	\$ (16,150)	\$ (9,986)
Revenue Total	\$ 31,863	\$ 306,684	\$ 291,350	\$ 309,914
Expenditures	\$ 109,315	\$252,028	\$ 338,849	\$ 393,379
Ending Fund Balance	\$ (77,452)	\$ (22,795)	\$ (70,295)	\$ (153,760)



Questions?

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